VZCZCXRO2020 RR RUEHAG RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHPW RUEHROV RUEHSR DE RUEHNT #0717/01 1321157 ZNY CCCCC ZZH R 121158Z MAY 09 FM AMEMBASSY TASHKENT TO RUEHC/SECSTATE WASHDC 0870 INFO AFGHANISTAN COLLECTIVE EUROPEAN POLITICAL COLLECTIVE RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC RHMFISS/CDR USCENTCOM MACDILL AFB FL RHMFISS/CDR USTRANSCOM SCOTT AFB IL RHMFISS/JOINT STAFF WASHINGTON DC RUEATRS/DEPT OF TREASURY WASHINGTON DC RUEHNT/AMEMBASSY TASHKENT RUEKJCS/SECDEF WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 TASHKENT 000717

SIPDIS
DEPARTMENT FOR D, P, S/SRAP, SCA
PASS TO USAID
AMEMBASSY ANKARA PASS TO AMCONSUL ADANA
AMEMBASSY ASTANA PASS TO USOFFICE ALMATY
AMEMBASSY BERLIN PASS TO AMCONSUL DUSSELDORF
AMEMBASSY BERLIN PASS TO AMCONSUL LEIPZIG
AMEMBASSY BELGRADE PASS TO AMEMBASSY PODGORICA
AMEMBASSY HELSINKI PASS TO AMCONSUL ST PETERSBURG
AMEMBASSY ATHENS PASS TO AMCONSUL THESSALONIKI
AMEMBASSY MOSCOW PASS TO AMCONSUL VLADIVOSTOK
AMEMBASSY MOSCOW PASS TO AMCONSUL YEKATERINBURG

E.O. 12958: DECL: 2019/05/12 TAGS: ELTN MARR PREL AF UZ ZK SUBJECT: The Path to the Sea - The Larger Implications of NDN for Uzbekistan and Central Asia

REF: TASHKENT 669; TASHKENT 707

CLASSIFIED BY: Nicholas Berliner, Pol-Econ Chief; REASON: 1.4(B), (D)

11. (C) Summary: The establishment of the Northern Distribution Network (NDN) connecting Central Asia and Afghanistan has the potential to transform regional commerce and transportation. Uzbekistan and some of the other Central Asian states have relatively well-developed rail networks that, as legacies of the Soviet period, are linked to Europe (and to a lesser extent Asia) via Russia. Afghanistan, apart from a few kilometers of track between Termez, Uzbekistan and Hairaton, has never been connected to this network in a significant way. For Uzbekistan, Afghanistan is the primary obstacle to linking its (and Central Asia's) rail network to ports in Iran and Pakistan. Currently, as TRANSCOM Commander General McNabb was informed during his recent visit (ref A), the Uzbeks are very actively pushing plans to extend the rail line from Hairaton to Mazar-e Sharif in Afghanistan, a line that they believe their companies could build, with a view to relieving congestion in Hairaton in the near term and reaching the southern sea ports in the longer term. This has important implications for U.S. interests in the region. The extension of rail connections between Central Asia, Afghanistan and its southern neighbors would not only facilitate our own supply efforts, but it would also provide a needed boost to regional commerce on a north-south axis between Central and South Asia. Moreover, it would ease the hold Russia has over transportation links in the region, giving all of Central Asia access to vital ports and bolstering the political autonomy of its states while, at the same time, providing a foil to Iranian efforts to bring Afghanistan into its transportation and commercial sphere of influence. This is a project with the potential to have a profound and lasting impact to which the U.S. should lend its full backing to ensure that financing is forthcoming for its realization. End Summary.

12. (C) The signing of the exchange of letters with Uzbekistan on April 3 enabled shipments to move through the NDN to Afghanistan. Already in the first several days since the GOU issued transit authorizations, over a thousand containers are set to transit

Uzbekistan by rail to Hairaton, Afghanistan. NDN has created the ability to move supplies to our forces with relative speed and in large volumes (the transit time from Riga to Hairaton is eight days). NDN's rail shipping routes originate in Riga, Latvia and Poti, Georgia, from where all trains must transit Kazakhstan and Uzbekistan, entering Afghanistan at Hairaton, the terminus of the rail line. With the volume of NDN shipments set to pick up, the Uzbeks have voiced concern about Hairaton becoming a choke point, effectively limiting capacity and causing backups throughout Uzbekistan's rail network. While upgrades in Hairaton can likely remedy any problems in the short term, this issue underscores the larger problem of Afghanistan's continued isolation from the transportation networks of Central Asia.

13. (C) A solution that the Uzbeks have advocated for some time is the extension of the rail line from Hairaton some sixty kilometers to Mazar-e Sharif, on Afghanistan's ring road. Our GOU interlocutors tell us that Uzbek companies have the technical capacity and experience to build this extension quickly, if financing were available. The Asian Development Bank is financing a feasibility study for the project (apparently not the first such feasibility study that has been done). The Uzbeks would like to have their own companies build the rail line and believe that they have been unfairly shut out of Afghan reconstruction contracting to the benefit of large firms from donor countries. Having Uzbekistan involved in reconstruction projects in Afghanistan may have merit in its own right by giving Tashkent a greater stake in the

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development and stability of its neighbor. However, beyond the immediate question of getting business, Uzbekistan (and the other Central Asian countries) has an economic and strategic interest at stake in the building of this rail line that coincides with U.S. objectives in Afghanistan and the larger region.

- ¶4. (C) Central Asia has a well-developed rail network that is a legacy of Russian and Soviet rule in the region, beginning in the late nineteenth century. Also a legacy of this Russian-built network (and the decades of chaos in Afghanistan) is its northern orientation. Apart from the trans-Caspian line, Russia remains the hub of Central Asia's rail spokes. Russian dominance of the economies of Uzbekistan and the region spans the spectrum of economic sectors, but at the heart of it all lie transportation links.
- 15. (C) Uzbekistan's interest in extending the rail line from Hairaton to Mazar-e Sharif is only the first step in what many Uzbeks view as a "game changer" for their country and the larger region. One of the consequences of Afghanistan's instability has been to prevent the development of a link between Central Asia and ports in Pakistan and Iran. Some Uzbeks believe that Moscow would just as soon things remain that way, perpetuating Central Asia's links to its former colonial master the fact that the Soviets never embarked on a project to extend rail lines into Afghanistan during their ten-year occupation is cited as evidence. Whatever the case may be, the north-south commerce that would bring Central Asia and Afghanistan closer together cannot fully develop without concomitant "lines of communication," of which rail is an essential element.
- 16. (C) Comment: Supporting the Uzbeks on construction of a rail line to Mazar-e Sharif would pay multiple dividends. First of all, it would increase the efficiency of NDN. Second, it would help encourage trade between Afghanistan and Central Asia (and possibly serve as a force multiplier for the proposed Reconstruction Opportunity Zones in Afghanistan). Third, it would serve to open paths to the sea for the landlocked Central Asian states and, in the process, give them options for managing Russian influence in

the region (Note: We are not proposing to lock the Russians out; this is not the "Great Game."). Fourth, supporting an Uzbek bid to build the line would secure political support in Tashkent for NDN and give the GOU a greater stake in success in Afghanistan. Finally, integration of Afghanistan into the Central Asia rail network would balance out Iranian plans to connect Herat to Tajikistan across northern Afghanistan, ensuring a larger economic role in Afghanistan for the secular Central Asian states. This is a project with enormous potential to which the USG should lend its full backing for financing and construction.